

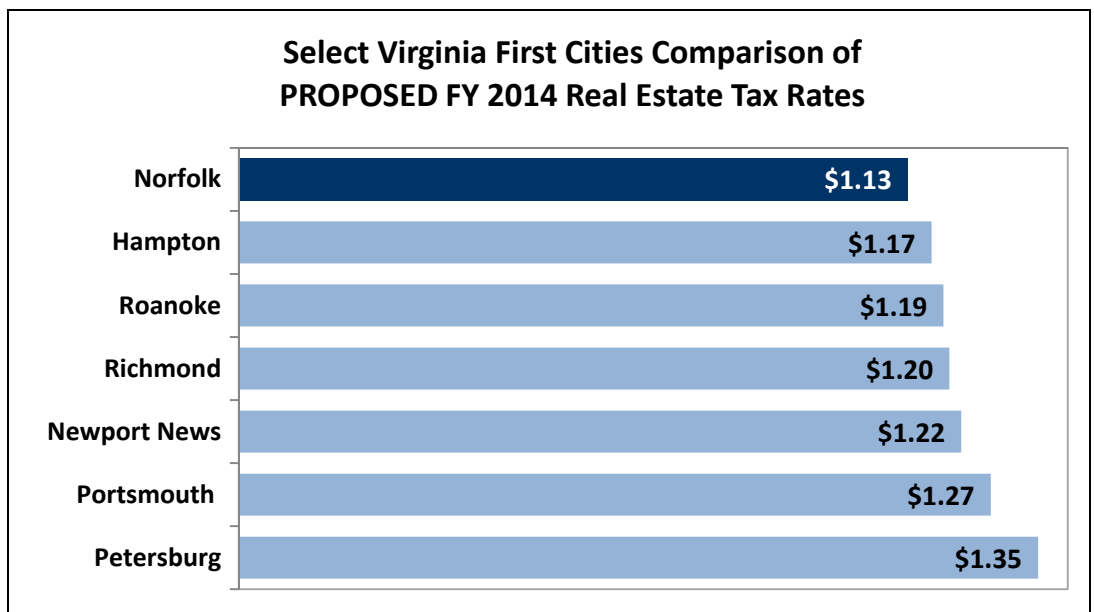
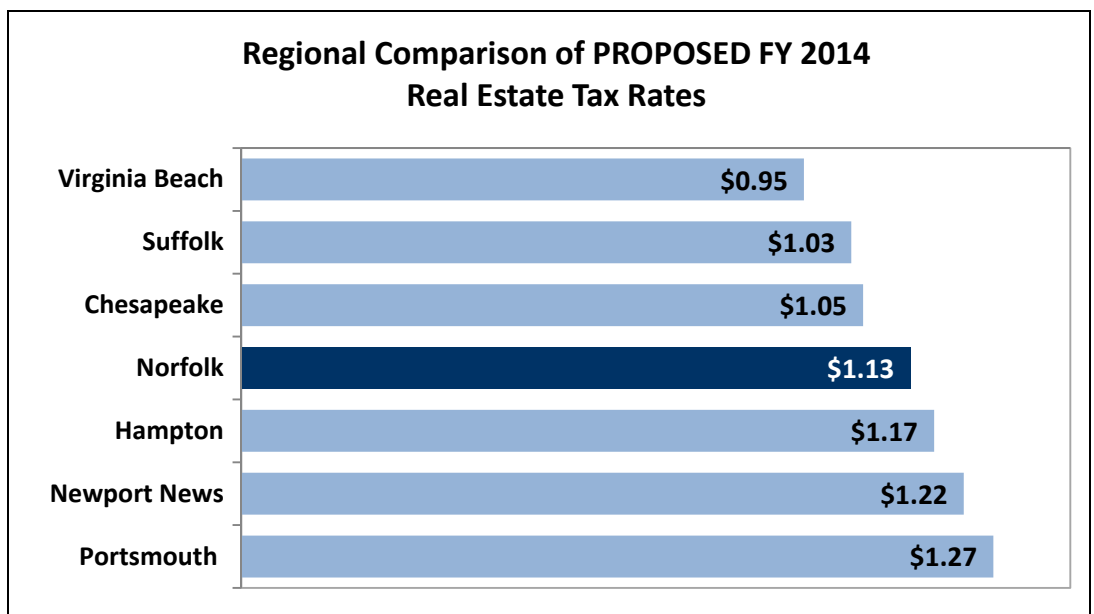
**CITY OF NORFOLK
FY 2014
RESPONSE TO CITY COUNCIL QUESTIONS ON PROPOSED BUDGET**

Council Member: Mayor Fraim

Inquiry: Provide a comparison of the value a 1¢ increase in the real estate tax rate

Statement of Issue: Several localities proposed an increase in the real estate tax rate for FY 2014. The revenue generated from a 1¢ increase in the real estate tax rate varies across localities.

Relevant Analysis: The following charts and table provide a comparison of real estate tax rates and the value of a 1¢ increase in the real estate tax rate.



Comparison of the Value of One Penny of the Real Estate Tax Rate

Locality	Value of 1¢ Real Estate Tax ¹	Percent of Tax Exempt to Total Property ²	Land Area (sq. mi.) ³	Population (2010) ³
Petersburg	\$176,000	15.7%	22.93	32,420
Roanoke	\$644,000	21.6%	42.56	97,032
Portsmouth	\$678,000	44.0%	33.65	95,535
Suffolk	\$892,000	9.6%	400.17	84,585
Hampton	\$1,000,000	23.4%	51.41	137,436
Newport News	\$1,387,000	19.5%	68.71	180,719
Norfolk	\$1,665,000	36.8%	54.12	242,803
Chesapeake ⁴	\$2,000,000	8.2%	340.80	222,209
Richmond	\$2,170,000	22.6%	59.81	204,214
Virginia Beach	\$4,791,000	12.1%	249.02	437,994

¹ Source: Proposed FY 2014 Budget Document (Hampton, Newport News, Portsmouth, Suffolk, Virginia Beach) and Budget Office (Arlington, Chesapeake, Petersburg, Richmond, and Roanoke)

² Source: Virginia Department of Taxation, FY 2012 Annual Report

³ Source: U.S. Census Bureau, 2010 Census

⁴ Rate includes one cent for mosquito control

The chart below graphically shows real estate tax rate increases in the region since FY 2010 proposed increases in FY 2014.

